

## Message Text

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PAGE 01 STATE 097352  
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FM SECSTATE WASHDC  
TO AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: BENC, IR

SUBJECT: MAJOR PROJECTS - NATIONAL POWER GRID

1. ACCORDING IRAN SECTORAL SURVEY, BASED ON INTERVIEWS OVER A YEAR AGO, GOI HAS EMBARKED ON MAJOR PUSH TO EXPAND/ UPGRADE NATIONAL POWER GRID. IN 1976, TAVANIR CONTRACTED WITH ASEA OF SWEDEN FOR 400 KV LINE LINKING NEW REZA SHAH KABIR DAM WITH HAMADAN, 258 MILES TO NORTH. THIS LINK WAS FIRST SECTION OF WHAT BY 1980 WAS TO BECOME 1,119-MILE INTERCONNECTED NETWORK OF 400 KV LINES EXTENDING EAST-WEST FROM MASHHAD TO TABRIZ AND NORTH-SOUTH FROM MAZANDARAN TO KHUZESTAN AND BANDAR ABBAS. AS SHOWN IN TABLE 1, PAGE 107 OF SECTORAL, IRAN'S TOTAL GRID (63 KV AND ABOVE) WILL GROW FROM 6,555 MILES IN 1975 TO 9,919 MILES BY 1980.

2. GOI PLANS (SEE PAGE 112) WERE SAID TO CALL FOR AT LEAST THREE PROJECTS TO BE TENDERED IN 1977 AND 1978 EXTEND-  
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PAGE 02 STATE 097352

ING 400 KV NETWORK ADDITIONAL 668 MILES. SOMEWHAT CONFUSING SERIES OF ITEMS APPEARING IN MIDDLE EAST ECONOMIC DIGEST (MEED) IN EARLY 1977 AND AGAIN EARLY THIS YEAR MAKES IT APPEAR THAT PROGRAM IS, IN FACT, MOVING AHEAD. FOLLOWING ARE ONES WE HAVE CULLED RELATING TO POWER TRANSMISSION/ DISTRIBUTION: (A) CONTRACT WORTH 15 BILLION RIALS AWARDED TO UNIDENTIFIED JAPANESE CONSORTIUM TO INSTALL TWO 400 KV

TRANSMISSION LINES BETWEEN TEHRAN AND NEKA ON CASPIAN; LINES TO BE COMPLETED BY MARCH 1978, WHEN FIRST OF FOUR 440-MW GAS-FED POWER PLANTS AT NEKA GO ON STREAM. MEED, FEBRUARY 4, 1977. (B) TWO CONTRACTS TOTALLING 7.6 BILLION RIALS AWARDED TO SADELM I OF ITALY (320 KM OF 230 KV AND 132 KV LINES IN KHUZESTAN) AND TO CONSORTIUM COMPOSED OF SADELM I, BROWN BOVERI OF WEST GERMANY, AND ASEA OF SWEDEN; 17 SUBSTATIONS IN KHUZESTAN. MEED, FEBRUARY 11, 1977. (C) TAVANIR AWARDED 40 MILLION USDOLS CONTRACT TO KAMANI OF INDIA FOR INSTALLATION OF 720 KM TRANSMISSION LINE BETWEEN MANJIL, TABRIZ AND RASHT; BROWN BOVERI OF W. GERMANY AND SPRECHER AND SCHUH OF SWITZERLAND INVOLVED IN SAME PROJECT UNDER SEPARATE CONTRACTS. MEED, MARCH 11, 1977. (D) CMF-MARINELLI CONSORTIUM OF ITALY WON INTERNATIONAL TENDER BY TAVANIR TO BUILD TWO SECTIONS OF 400 KV TRANSMISSION LINE BETWEEN ISFAHAN, ARAK AND TEHRAN, TOTALLING 270 KM AND 60 MILLION USDOLS. MEED, MARCH 25, 1977. (E) BROWN BOVERI OF SWITZERLAND WON 60 MILLION USDOLS CONTRACT FROM TAVANIR TO EXPAND ELECTRICITY SUPPLY NETWORK IN LORESTAN; CONTRACT CALLS FOR 230 KV SWITCHGEAR, TRANSFORMERS, ANCILLARY EQUIPMENT; ALSO SUBSTATION AT KHORRAMABAD TO LINK WESTERN PROVINCES TO NATIONAL GRID. MEED, FEBRUARY 10, 1978. (F) FURUKAWA ELECTRIC OF JAPAN WON 230 MILLION USDOLS CONTRACT FROM TAVANIR TO SUPPLY 480-KM TRANSMISSION LINE TO CONNECT UNCLASSIFIED

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PAGE 03 STATE 097352

NEKA POWER STATION TO TEHRAN AREA. MEED, MARCH 17, 1978.

3. TABLE 2 (PAGE 107) INDICATES THAT TAVANIR'S BUDGET EXPECTED TO RISE AT MODERATE RATE, FROM 395.9 MILLION USDOLC IN 1976 TO 480 MILL DOLS IN 1980. HOWEVER, WE NOTE THAT AMOUZEGAR'S RECENT MESSAGE TO MAJLIS COVERING 2537 BUDGET STATED THAT GOI QTE HAS GIVEN SPECIAL PRIORITY TO GENERATION AND TRANSMISSION OF ELECTRICITY UNQTE. THIS SECTOR WAS ALLOTTED 312 BILLION RIALS, OR 46 PERCENT ABOVE COMPARABLE FIGURE IN 2536 BUDGET. MESSAGE PROMISED QTE EXTENSIVE PROJECTS WILL BE UNDERTAKEN TO BOOST GENERATING CAPACITY AND CONNECT MAJOR GENERATION AND CONSUMPTION CENTRES UNQTE.

4. ACTION REQUESTED: PLEASE PROVIDE CONCISE REVIEW OF IRAN'S POWER TRANSMISSION/DISTRIBUTION PROGRAM, INCLUDING IF POSSIBLE NAMES OF PRIME CONTRACTORS ON PROJECTS ALREADY UNDERWAY, STATUS OF BIDDING ON UPCOMING PROJECTS, CURRENT THINKING ABOUT FUTURE PROJECTS. A NUMBER OF U.S. CONSTRUCTION FIRMS ACTIVE IN PROJECTS OF THIS TYPE HAVE EXPRESSED INTEREST. AT LEAST ONE HAS TRIED TO GET INFORMATION TAVANIR WITHOUT SUCCESS. CHRISTOPHER

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